

Labour and Employment Client Service Group

From Bryan Cave London

February 2012

UK employment law changes for 2012

This client briefing sets out the key changes to UK employment law taking place from February 2012.

Of particular interest to clients will be the increase in April in the minimum period of employment an employee must serve before being able to bring an unfair dismissal claim.

February

- New Tribunal awards limits come into force:
 - the maximum compensation award for a successful unfair dismissal claim will rise to £72,300; and
 - the maximum amount of a week's pay, used to calculate statutory minimum redundancy pay (among other things), will rise to £430.

April

- The qualifying period of employment to be able to bring an unfair dismissal claim will increase from one to two years, for all employees starting work after 6 April .
- Various tribunal procedure changes take effect:
 - employment judges to hear most unfair dismissal claims alone (instead of sitting with two non-lawyer "wing members");
 - witness statements prepared in advance of a hearing will no longer be read aloud unless the employment judge directs otherwise;
 - the maximum amount of a deposit order (an order requiring a party to a claim to deposit an amount of money to be able to continue to take part in the proceedings, if an employment judge considers that all or part of a claim or a response has little reasonable prospect of success), will increase to £1,000;
 - the maximum amount of a costs order (an order requiring a litigant who has acted unfairly in the conduct of a claim to pay part or all of another party's legal costs), which a tribunal may award in favour of a legally represented party, increases to £20,000.

- Statutory minimum maternity, paternity and adoption pay increases to £135.45 per week.
- Statutory minimum sick pay increases to £85.85 per week.

October

- A new duty on all employers to enrol eligible employees into a pension scheme, currently set to be implemented over four years from 1 October 2012 (large employers to be affected first). There will be mandatory employer contributions payable into a qualifying workplace pension scheme or National Employment Savings Trust (NEST).
- The national minimum wage is likely to increase, although figures have not yet been announced.

Other 2012 developments with no confirmed dates

- Voluntary pre-claim conciliation to be offered in all employment tribunal claims.
- Compromise agreements (the UK's waiver documentation for employment matters) to be simplified.
- ACAS Disciplinary and Grievance Code, which provides good practice advice for dealing with discipline and grievances in the workplace, to be revised with a view to simplifying the standard dismissal process.

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